

(c) *Disposal*. Upon receipt of a notice of approval of an application from HUD under § 586.35(c)(1) or § 586.35(d)(2), DoD shall dispose of buildings and property in accordance with the record of decision or other decision document prepared under § 586.45(b). Disposal of buildings and property to be used as homeless assistance facilities shall be to either the LRA or directly to the representative(s) of the homeless and shall be without consideration. Upon receipt of a notice from HUD under § 586.40(b), DoD will dispose of the buildings and property at the installation in consultation with HUD and the LRA.

(d) *LRA's responsibility*. The LRA shall be responsible for the implementation of and compliance with legally binding agreements under the application.

(e) *Reversions to the LRA*. If a building or property reverts to the LRA under a legally binding agreement under the application, the LRA shall take appropriate actions to secure, to the maximum extent practicable, the utilization of the building or property by other homeless representatives to assist the homeless. An LRA may not be required to utilize the building or property to assist the homeless.

PART 590—URBAN HOMESTEADING

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AUTHORITY: 12 U.S.C. 1706e; 42 U.S.C. 3535(d).

SOURCE: 54 FR 23937, June 2, 1989, unless otherwise noted.

§ 590.1 General.

This part applies to the completion of activities remaining under the Urban Homesteading Program authorized under section 810(b) of the Housing and Community Development Act of

1974 (12 U.S.C. 1706e). Authority to reimburse Federal agencies for transfer of additional properties to LUHAs under this part was repealed effective October 1, 1991.

[61 FR 7062, Feb. 23, 1996]

§ 590.3 [Reserved]

§ 590.5 Definitions.

Act means section 810 of the Housing and Community Development Act of 1974, as amended from time to time.

Applicant means any State or unit of general local government that applies for HUD approval of a local urban homesteading program under these regulations.

Homesteader means an individual or family that participates in a local urban homesteading program by agreeing to rehabilitate and occupy a property in accordance with § 590.7(b)(5).

Local urban homesteading agency (LUHA) means a State, a unit of general local government, or a public agency or qualified community organization designated in accordance with § 590.7(c) by a State or a unit of general local government.

Local urban homesteading program means the operating procedures and requirements developed by a LUHA and approved by HUD in accordance with this part for selecting and conveying federally-owned properties to qualified homesteaders.

Low-income families means those families and individuals whose adjusted incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary under section 3(b)(2) of the United States Housing Act of 1937. Under the provision of 24 CFR part 813, the Secretary's income limits for this purpose are updated annually and are available from the Housing Management Division in HUD field offices.

Qualified community organization has the meaning specified in § 590.7(c)(4).

Section 810 funds means funds available to reimburse HUD, FmHA, VA, or RTC (as applicable) for federally-owned property transferred to LUHAs in accordance with this part.

State means any State of the United States, any instrumentality of a State

approved by the Governor, and the Commonwealth of Puerto Rico.

Unit of general local government means any city, county, town, township, parish, village, or other general purpose political subdivision of a State, Guam, the Virgin Islands, or American Samoa, or any general purpose political subdivision thereof; the District of Columbia; the Trust Territory of the Pacific Islands; and Indian tribes, bands, groups, and nations of the United States, including Alaska Indians, Aleuts, and Eskimos.

Urban homesteading neighborhood means any geographic area approved by HUD for the conduct of a local urban homesteading program that meets the requirements of this part.

[54 FR 23937, June 2, 1989, as amended at 54 FR 39525, Sept. 27, 1989; 56 FR 6808, Feb. 20, 1991; 61 FR 5211, Feb. 9, 1996; 61 FR 7062, Feb. 23, 1996]

§ 590.7 Program requirements.

(a) [Reserved]

(b) *Development of local urban homesteading program.* The applicant shall develop, in compliance with this part, a local urban homesteading program containing the following major elements:

(1) *Selection and management of properties.* The program shall include procedures for selecting federally-owned properties suitable for homesteading and for managing the properties before conditional conveyance to homesteaders. The program shall also provide that, by accepting title to a property under this part, the LUHA assumes liability for injury or damage to persons or property by reason of a defect in the dwelling, its equipment or appurtenances, or for any other reason related to ownership of the property.

(2) *Homesteader selection.* The program shall include equitable procedures for homesteader selection which:

(i) Exclude prospective homesteaders who own other residential property;

(ii) Take into account a prospective homesteader's capacity to make or cause to be made the repairs and improvements required under the homesteader agreement, including the capacity to contribute a substantial amount of labor to the rehabilitation process, or to obtain assistance from

private sources, community organizations, or other sources;

(iii) Provide that membership in, or other ties to, any private organization (including a qualified community organization) may not be made a factor affecting selection as a homesteader;

(iv) Include locally adopted criteria reasonably matching family size to the number of bedrooms in each property for which a homesteader is being selected, provided that a prospective homesteader who is a one person household shall not be permitted to receive a property having more than two bedrooms, unless there are no larger households on the waiting list, notwithstanding the relative standing of the respective households under the low-income priority (see § 590.7(b)(2)(v)).

(v) Provide that, before a property is offered to other prospective homesteaders who are eligible, the property will be offered to eligible low-income families, except that properties obtained under the RTC's Affordable Housing Disposition Program (12 CFR part 1609) must be transferred to low-income families; and

(vi) Include other reasonable selection criteria which are consistent with this § 590.7(b)(2) and which shall be specified in the applicant's application pursuant to § 590.11(a) and approved by HUD under § 590.13. Such selection criteria may include preferences for the selection of neighborhood residents or other local residents, but only to the extent that they are not inconsistent with this section and with affirmative marketing objectives under § 590.11(d)(5)(ii). Such preferences based on residential location may not be based upon the length of time the prospective homesteader has resided in the jurisdiction or the neighborhood. Also, persons who are employed, or who have been notified that they have been hired, in the jurisdiction shall be extended any preference available to current residents.

(3) *Conditional conveyance.* The program shall provide for the conditional conveyance of federally-owned properties to homesteaders without any substantial consideration within one year, or less, of title transfer to the